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IN THE SENATE OF THE UNITED STATES.

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MAY 29, 1896.—Ordered to be printed.

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Mr. ELKINS, from the Committee on Commerce, submitted the following

REPORT:

[To accompany S. 3010.]

The Committee on Commerce, to whom was referred the bill (S. 3010) relating to the landing of any new submarine telegraphic cable line or system in this country, having had the same under consideration, report:

The object of the bill is to prevent the landing of the shore end of any new telegraphic cable line or system that shall be established after the passage of this act, which line or system shall be protected in any foreign country by exclusive landing rights or other special privileges or franchises, until the consent of Congress has first been obtained.

The necessity for legislation of this character will readily appear upon an examination of existing conditions respecting submarine telegraphic cable lines or systems, which will be briefly stated. At the present time the conditions under which such cables are landed on the shores of the United States, and thereafter operated, are vague and indefinite. There is no general statute on the subject, and, in the opinion of your committee, there should be none, for the reason that each proposition granting a corporation the privilege of landing a cable on the shore of the United States should be carefully scrutinized and considered, with the view of preventing the establishment of privileges, as might be the case without restrictive legislation by Congress. In his annual message to Congress in December, 1875, President Grant stated that—

No line should be allowed to land on the shores of the United States which is not, by prohibition in its charter or otherwise, to the satisfaction of the Government, prohibited from consolidating or amalgamating with any other telegraph line, or combining therewith for the purpose of regulating and maintaining the cost of telegraphing.

In that message the President declared that the right to control the conditions for the laying of a cable within the jurisdictional waters of the United States, to connect our shores with those of any foreign State pertains exclusively to the Government, under such limitations and conditions as Congress may impose. The conditions of cable business, like railroad transportation, are constantly changing, and for that reason special restrictions are both necessary and proper. This view has been uniformly entertained by all administrations, and frequently expressed through the Department of State by Secretaries Fish, Bayard, Blaine, and Gresham. It is not necessary to give the details of such expres-

sions, which may be found in Senate Executive Document No. 122, second session Forty-ninth Congress, and Senate Executive Document No. 14, second session Fifty-third Congress.

Under date of December 21, 1889, Secretary Blaine, replying to a letter from the superintendent of the *Compagnie Francaise du Télégraphe de Paris à New York*, requesting permission to land a cable, stated that—

While the authority of the President to grant the permission you desire must be accepted, subject, of course, to the future ratification by Congress, yet there are certain conditions which he regards as absolutely essential before such provisional permission can be accorded. These conditions are as follows:

(1) That neither the company, its successors or assigns, nor any cable with which it connects, shall receive from any foreign Government exclusive privileges which would prevent the establishment and operation of a cable of an American company in the jurisdiction of such foreign Government.

(2) That the company shall not consolidate or amalgamate with any other line or combine therewith for the purpose of regulating rates.

(3) That the charges to the Government of the United States shall not be greater than those to any other Government, and the general charges shall be reasonable.

(4) That the Government of the United States shall be entitled to the same or similar privileges as may by law, regulation, or agreement be granted to any other Government.

(5) That a citizen of the United States shall stand on the same footing, as regards privileges, with citizens of San Domingo.

(6) That messages shall have precedence in the following order: (a) Government messages and official messages to the Government; (b) telegraphic business; (c) general business.

(7) That the line shall be kept open for daily business, and all messages in the above order be transmitted according to the time of receipt.

Subsequently Secretary Blaine appeared before the Senate Committee on Commerce of the Fifty-second Congress, and made an argument against a joint resolution then pending before said committee authorizing the landing of the French cable on the shores of Virginia and South Carolina, basing his opposition on the ground that the French Cable Company, cooperating with the Brazilian Government, had an absolute monopoly of the cable privileges between the United States and Brazil, and that its passage would render impossible the procurement of concessions from Brazil to an American company, while at the same time it would place American customers at a great disadvantage.

Under date of December 21, 1893, Secretary Gresham stated that since March 1, 1893, no permission had been granted by the Department of State to any foreign cable company to land its line on the coast of the United States; that several times prior to that date such permission was refused unless accepted on prescribed conditions, and that he knew of no law of Congress authorizing him or any other executive officer to do so.

For these reasons it seems desirable, in view of the great increase of cable business, that the methods by which permission is to be hereafter obtained to land and operate any cable, whether American or foreign, should be established by Congress.

The circumstances and conditions surrounding, as well as the character of each project for laying a submarine cable, must of necessity be peculiar to itself, and any general law enacted would undoubtedly fall far short of covering all such projects so as to place them on an equal commercial footing, or of fully protecting the public from unjust discriminations.

Your committee are of opinion that each cable company, whether American or foreign, should be required to apply to Congress for permission to land and operate any cable that may be laid subsequent to the approval of this bill. That requirement will give ample oppor-

tunity to Congress to ascertain whether the project is inimical to invested American capital and the business that has been established thereby, and to so regulate the conditions under which permission shall be granted on each application, as to insure the best service to the general public for this most essential means of communication between the United States and the outside world.

Concurring with the general purpose of the bill, your committee are of opinion that the operation of existing lines of submarine communication should not be disturbed or injuriously affected in any way by the provisions of the bill, and therefore recommend the addition of the following paragraph or clause, viz:

But this prohibition shall not apply to the renewal or renewals of any submarine telegraphic cable or cables now in operation.

In line 3, the word "telegraph" should be amended so as to read "telegraphic."

Amend the title so as to read—

A bill relating to the landing of any new submarine telegraphic cable line or system in the United States.

Your committee believe that as thus amended, the bill will be highly conducive to the interests of commerce and the general public, and will effectually guard against the creation of a monopoly. Its passage in such amended form is accordingly recommended.

